

January 29, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2175

Page 1, line 1, after "sections" insert "57-39.5-02 and"

Page 1, line 1, remove "and 57-43.2-19"

Page 1, line 2, after "to" insert "the transfer of revenue from the farm machinery gross receipts tax and"

Page 1, line 2, replace "and the special fuels excise tax" with "; and to provide an effective date"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Section 57-39.5-02 of the North Dakota Century Code is amended and reenacted as follows:

57-39.5-02. Imposition - Transfer of funds - Exemptions.

There is imposed a tax of three percent upon the gross receipts of retailers from all sales at retail, including the leasing or renting, of farm machinery or irrigation equipment used exclusively for agricultural purposes. Two percent of the taxes collected under this chapter, but not exceeding one million dollars in a state fiscal year, must be transferred to the state treasurer who shall deposit the moneys in the agricultural research fund. Gross receipts from sales at retail of farm machinery or irrigation equipment are exempted from the tax imposed by this chapter when the sale, lease, or rental is made to a purchaser or lessor who is entitled to a sales and use tax exemption under subsection 6 or 12 of section 57-39.2-04 on otherwise taxable sales at retail. There are specifically exempted from the tax imposed by this chapter the gross receipts from the sale, lease, or rental of used farm machinery, farm machinery repair parts, used irrigation equipment, or irrigation equipment repair parts used exclusively for agricultural purposes. For purposes of this section, "used" means:

1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous sale;
2. Tax under section 57-39.5-06 has been paid under a previous lease;
3. Originally purchased outside this state and previously owned by a farmer;
or
4. Has been under rental for three years or more."

Page 1, remove lines 13 through 23

Page 2, replace lines 1 through 7 with:

"SECTION 3. EFFECTIVE DATE. This Act is effective for taxable events occurring after June 30, 2015."

Re-number accordingly